Government of Saskatchewan

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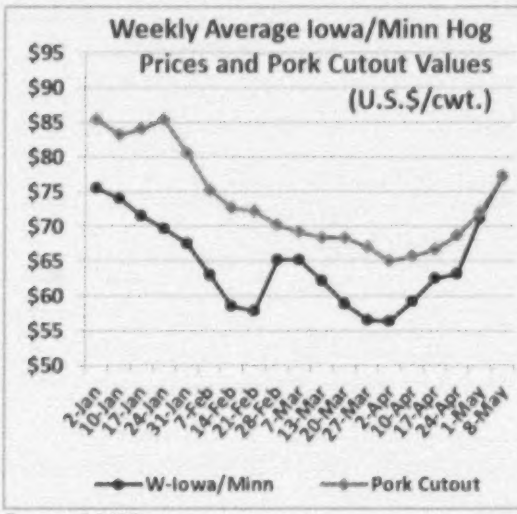
Weekly Hog Report

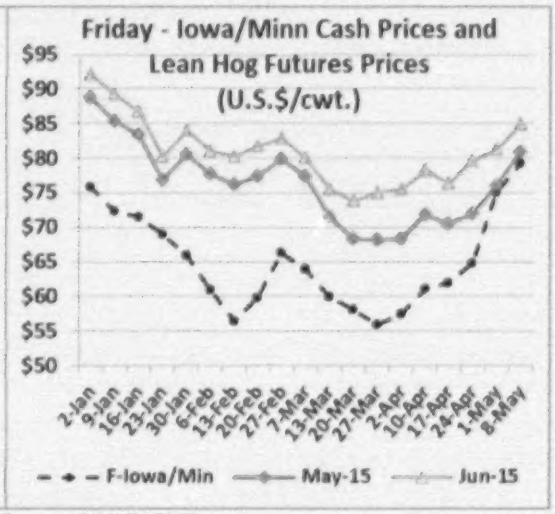
May 11, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved higher over the week to end the week sharply higher; week-over-week. Hog prices on Friday averaged US$79.16 per cwt, up US$4.23 per cwt from US$74.93 per cwt the previous Friday. The negotiated base price for the week averaged US$77.18 per cwt, up US$6.03 per cwt from US$71.15 per cwt the previous week. Slaughter weight hog prices gained strength from lower pork production and increased spring demand resulting in higher pork cutout values.



Source: LMIC



Source: LMIC, CME

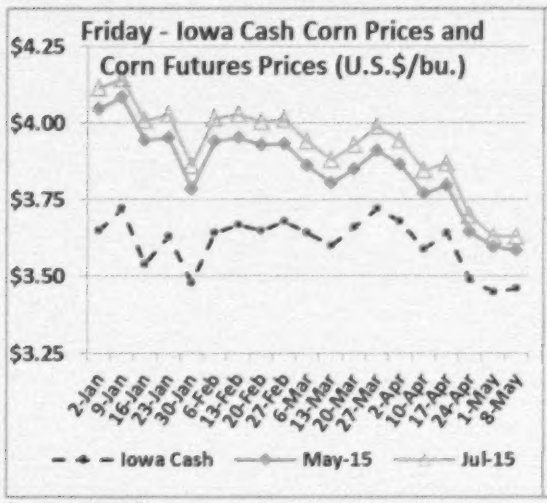
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 8, 2015 was $174.29 per ckg, up $8.04 per ckg or 4.8 per cent from $166.25 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $169.67 per ckg, up $16.73 per ckg or 10.9 per cent from the previous weeks' average price of $152.94 per ckg. The Canadian dollar edged higher last week to close Friday at 82.71 cents; up 0.45 cents from the previous Friday's close of 82.26 cents.

Futures Markets

Lean hog futures daily prices were again higher last week. The nearby May 2015 lean hog futures contract increased US$4.85 per cwt to settle Friday at US$80.850 per cwt, while the June 2015 contract increased US$3.575 per cwt to settle Friday at US$84.825 per cwt. With the sharp rise in cash prices last week the spread between cash and futures continued to narrow. The June contract is currently less than $6 per cwt higher than cash.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$38.88 per head, down US$2.17 per head from US$41.05 per head the previous week. Feeders (40lb) were US$61.01 per head, down $1.77 per head from US$62.78 per head the previous week.



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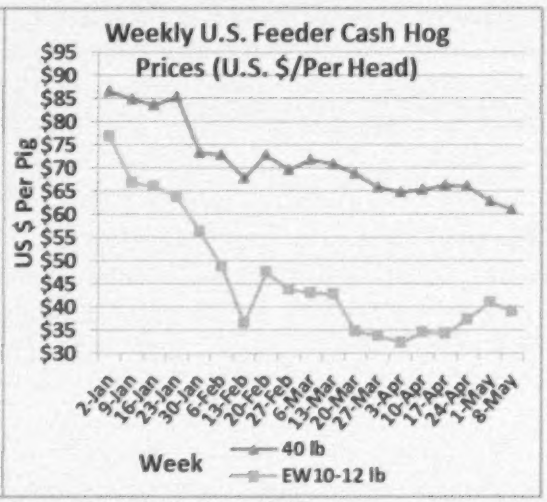

Source: Iowa Agriculture, CME

Iowa cash corn prices increased one cent per bushel to end Friday at US$3.46 per bushel. Daily U.S. corn futures daily prices were mixed last week but ended the week relatively unchanged, week-over-week. The May 2015 corn contract declined just over one cent to settle Friday at $3.58½ per bushel, while the July contract was unchanged to settle Friday at US$3.63 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 9 were estimated at 2.111 million head, down 2.2 per cent from 2.159 million head the previous week, but up 5.2 per cent from 2.007 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.169 million head per week, up 8.2 per cent from 2.004 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 2, 2015 were estimated at 401,966 head, down 0.9 per cent from 405,624 head the previous week, but up 1.9 per cent from 394,670 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 2, 2015, were estimated to average 403,588 head, up 6.9 per cent from 377,643 head over the same period a year ago.

In Western Canada, hogs slaughtered over the last four weeks averaged 166,618 head, up 7.9 per cent from 154,362 head over the same period a year ago. Western Canadian hogs slaughtered year-to-date totaled 3.000 million head, up about 3.1 per cent from 2.911 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending May 9, 2015 was estimated at 451.7 million lb., down 2.2 per cent from 462.0 million lb. the previous week, but up 4.3 per cent from 433.0 million lb. the same week a year ago. Pork production over the last four weeks ending May 9 was estimated to average 463.7 million lb., up 6.9 per cent from 433.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 10, totaled 460.3 million lb., up slightly from 460.0 million lb. the previous week, but down 2.5 per cent from 472.2 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 2, 2015, was estimated to average 1.996 billion lb., up 4.7 per cent from 1.907 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 4.1 per cent compared to the same period in 2014.

United States Weekly Meat Production

(May 2) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	433.8	467.5	7.8%	6.8%
Beef	461.5	437.5	-5.2%	-4.2%
Chicken	886.5	959.1	8.2%	7.1%
Turkey	124.7	132.3	6.0%	4.2%
Total	**1,906.5**	**1,996.3**	**4.71%**	**4.11%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending May 9, 2015 averaged US$77.25 per cwt, up US$5.18 per cwt or 7.2 per cent from US$72.07 per cwt the previous week, but down 31.5 per cent from US$112.82 per cwt from a year ago. Pork cutout values had a very strong week increasing noticeably from the previous week as demand increased.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 9 average US$256.61 per cwt, down slightly (US$0.33 per cwt) from US$256.94 per cwt from the previous week, but up 13.3 per cent from US$226.57 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending May 9 averaged US$165.77 per cwt, up US$7.18 per cwt from US$158.59 per cwt from the previous week, but down 6.6 per cent from US$177.55 per cwt the same week a year ago.

United States Pork Exports

United States exported 191,041 metric tons of pork plus pork variety meats in March 2015, up 9.9 per cent from 173,771 metric tons in February 2015, but down 8.9 per cent from 209,704 metric tons in March 2014. By dollar amount, U.S. pork exports in March 2015 were US$495.2 million, up 5.2 per cent from US$470.7 million in February 2015, but down 18.4 per cent from US$606.7 million in March 2014. U.S. exports by volume in March were higher to Mexico, Korea and Canada, but lower to Japan and China; year-over-year. (Source: U.S. Meat Export Federation)

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